

STATE OF TENNESSEE
PUBLIC CHAPTER NO. 334
SENATE BILL NO. 1397

By Johnson, Stewart

Substituted for: House Bill No. 1721

By Lundberg, Matheny, Shepard, Casada, Favors, Curt Cobb, Williams

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 7, relative to contracts with health care providers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding Sections 2 through 5 of this act as a new, appropriately designated part.

SECTION 2. As used in this part, unless the context otherwise requires:

(1) "Health insurance entity" has the same meaning as in § 56-7-109;

(2) "Health care provider" or "provider" means any person or entity performing services regulated pursuant to Title 63 or Title 68, Chapter 11, with whom the health insurance entity has an express and valid network provider agreement or contract; and

(3) "Reasonably accurate" means information determined through application by the health insurance entity of contract rates, fee schedules and reimbursement rules and policies in effect as of the date inquiry is made by the provider.

SECTION 3. A health insurance entity shall ensure that any material change to the entity's previously-released provider manual shall be clearly identified in the following manner:

(1) Disclosing or identifying such change through the use of bold print or a font or both the bold print and a font being the same or larger size as the font generally used throughout the provider manual;

(2) Disclosing or identifying such change through the use of a separately categorized communication associated with quarterly or annual updates to the provider manual and distributed via:

(A) Compact discs or other downloadable electronic media;

(B) An Internet Web-accessible section associated with a Web-accessible current version of the provider manual; or

(C) Written communication mailed directly to providers.

SECTION 4. (a) By July 1, 2010, a health insurance entity shall establish and maintain an Internet Web site which shall be accessible to health care providers with whom the health insurance entity has an express and a valid network provider agreement or contract.

(b)(1) Excluding inpatient claims, every health insurance entity shall make available on the Internet Web site established pursuant to subsection (a) a Web-based preadjudication tool to be used by a health care provider prior to the provider's submitting either a clean claim as defined in § 56-7-109 or a claim combination to the claims adjudication system utilized by the health insurance entity. The pre-adjudication tool shall be designed in such a manner as to be capable of:

(A) Providing reasonably accurate information to a health care provider regarding the manner in which the health insurance entity's claim system will adjudicate claims for specific billing codes or combinations of codes; and

(B) Providing reasonably accurate information to a health care provider regarding the allowed amount for those claims submitted pursuant to subdivision (1) based on the health care provider's fee schedule and contract with the health insurance entity for which the claim will be submitted if the claim is determined to be a clean claim.

(2) Nothing in this subsection (b) shall be construed as requiring the pre-adjudication tool to reflect the effects of coverage terms and conditions unrelated to application of contract rates, fee schedules and reimbursement rules and policies, including without limitation, eligibility for coverage, deductibles and copayments, coordination of benefits and coverage limitations and exclusions, and nothing in this subsection (b) shall be construed as requiring the preadjudication tool to respond to a provider when the data submitted by the provider is insufficient to provide the information required by subdivisions (1)(A) and (B).

(c) Health insurance entity policies affecting the information available to a provider pursuant to subsection (b) shall be easily accessible by a health care provider on the Web site established by the health insurance entity pursuant to subsection (a).

SECTION 5. This act shall not apply to a contract between a health care provider and the state or federal government or their agencies for health care services provided through a program for Medicare; the state group insurance program; TennCare or any successor program provided for in Title 71, Chapter 5; the CoverKids Act of 2006 provided for in Title 71, Chapter 3, Part 11; the Cover Tennessee Act of 2006 provided for in Title 56, Chapter 7, Part 30; or the Access Tennessee Act of 2006 provided for in Title 56, Chapter 7, Part 29.

SECTION 6. This act shall take effect October 1, 2009, the public welfare requiring it.

PASSED: May 18, 2009



RON RAMSEY
SPEAKER OF THE SENATE



KENT WILLIAMS, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 1st day of June 2009



PHIL BREDESEN, GOVERNOR